

State Treasurer

Analyst: Freeman

Historical Summary

| OPERATING BUDGET | FY 2003 Total App | FY 2003 Actual | FY 2004 Approp | FY 2005 Request | FY 2005 Gov Rec |
|---------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| BY FUND CATEGORY | | | | | |
| General | 1,281,200 | 1,280,800 | 1,186,900 | 1,237,800 | 1,214,300 |
| Dedicated | 621,800 | 532,600 | 585,700 | 655,200 | 583,500 |
| Total: | 1,903,000 | 1,813,400 | 1,772,600 | 1,893,000 | 1,797,800 |
| Percent Change: | | (4.7%) | (2.2%) | 6.8% | 1.4% |
| BY OBJECT OF EXPENDITURE | | | | | |
| Personnel Costs | 1,253,600 | 1,184,500 | 1,258,300 | 1,132,800 | 1,300,600 |
| Operating Expenditures | 649,300 | 628,900 | 514,300 | 458,100 | 497,200 |
| Capital Outlay | 100 | 0 | 0 | 0 | 0 |
| Lump Sum | 0 | 0 | 0 | 302,100 | 0 |
| Total: | 1,903,000 | 1,813,400 | 1,772,600 | 1,893,000 | 1,797,800 |
| Full-Time Positions (FTP) | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |

Division Description

The State Treasurer is one of seven statewide elected officials in Idaho. It is the responsibility of the State Treasurer to serve as the banker for all Idaho agencies and to act as custodian of the public school endowment funds.

The constitutional and statutory duties of this office include: (1) the receiving of all revenues and fees due the state; (2) deposit of funds in banks throughout Idaho; (3) paying all accounts; and (4) investing surplus monies not needed for day-to-day operations.

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Comparative Summary

| Decision Unit | Agency Request | | | Governor's Rec | | |
|---------------------------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| | FTP | General | Total | FTP | General | Total |
| FY 2004 Original Appropriation | 18.00 | 1,186,900 | 1,772,600 | 18.00 | 1,186,900 | 1,772,600 |
| Base Adjustments | 0.00 | 0 | (30,000) | 0.00 | 0 | (30,000) |
| FY 2005 Base | 18.00 | 1,186,900 | 1,742,600 | 18.00 | 1,186,900 | 1,742,600 |
| Personnel Cost Rollups | 0.00 | 15,300 | 21,800 | 0.00 | 15,300 | 21,800 |
| Inflationary Adjustments | 0.00 | 5,700 | 9,200 | 0.00 | 0 | 0 |
| Replacement Items | 0.00 | 19,600 | 34,100 | 0.00 | 0 | 14,500 |
| Nonstandard Adjustments | 0.00 | (1,300) | (1,600) | 0.00 | (1,300) | (1,600) |
| Change in Employee Compensation | 0.00 | 6,600 | 10,100 | 0.00 | 13,400 | 20,500 |
| Fund Shifts | 0.00 | 0 | 0 | 0.00 | 0 | 0 |
| FY 2005 Program Maintenance | 18.00 | 1,232,800 | 1,816,200 | 18.00 | 1,214,300 | 1,797,800 |
| 1. LGIP Operating Expenses | 0.00 | 0 | 54,800 | 0.00 | 0 | 0 |
| 2. Bond Bank | 0.00 | 5,000 | 5,000 | 0.00 | 0 | 0 |
| 3. Customize Investment Software | 0.00 | 0 | 17,000 | 0.00 | 0 | 0 |
| Lump Sum Budget | 0.00 | 0 | 0 | 0.00 | 0 | 0 |
| FY 2005 Total | 18.00 | 1,237,800 | 1,893,000 | 18.00 | 1,214,300 | 1,797,800 |
| Change from Original Appropriation | 0.00 | 50,900 | 120,400 | 0.00 | 27,400 | 25,200 |
| % Change from Original Appropriation | | 4.3% | 6.8% | | 2.3% | 1.4% |

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|--|-------|-----------|-----------|---------|-----------|
| FY 2004 Original Appropriation | 18.00 | 1,186,900 | 585,700 | 0 | 1,772,600 |
| Base Adjustments | | | | | |
| Agency Request | 0.00 | 0 | (30,000) | 0 | (30,000) |
| Governor's Recommendation | 0.00 | 0 | (30,000) | 0 | (30,000) |
| FY 2005 Base | | | | | |
| Agency Request | 18.00 | 1,186,900 | 555,700 | 0 | 1,742,600 |
| Governor's Recommendation | 18.00 | 1,186,900 | 555,700 | 0 | 1,742,600 |
| Personnel Cost Rollups | | | | | |
| Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are: health insurance rates which are projected to increase by 17 percent, from \$5,548 to \$6,493 per employee; and retirement system (PERSI) rates that will increase by over 6% to 10.39 and 10.73 percent of salary for regular and police/firefighter members, respectively. | | | | | |
| Agency Request | 0.00 | 15,300 | 6,500 | 0 | 21,800 |
| Governor's Recommendation | 0.00 | 15,300 | 6,500 | 0 | 21,800 |
| Inflationary Adjustments | | | | | |
| Includes a general inflationary increase of 1.9% in operating expenditures. | | | | | |
| Agency Request | 0.00 | 5,700 | 3,500 | 0 | 9,200 |
| <i>The Governor recommends no increase for general inflation.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| Replacement Items | | | | | |
| Capital Outlay: 14 PCs (\$14,000) | | | | | |
| Operating Expenditures: Upgrade Microsoft Office software (\$5,600); upgrade investment software (\$14,500) | | | | | |
| Agency Request | 0.00 | 19,600 | 14,500 | 0 | 34,100 |
| <i>General Fund replacement items not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 14,500 | 0 | 14,500 |
| Nonstandard Adjustments | | | | | |
| Reflects reductions in Controller and Treasurer fees pursuant to the Statewide Cost Allocation Plan. Also reflects a reduction in Risk Management property/casualty rates. | | | | | |
| Agency Request | 0.00 | (1,300) | (300) | 0 | (1,600) |
| Governor's Recommendation | 0.00 | (1,300) | (300) | 0 | (1,600) |
| Change in Employee Compensation | | | | | |
| Reflects the cost of a 1% salary increase for permanent positions. | | | | | |
| Agency Request | 0.00 | 6,600 | 3,500 | 0 | 10,100 |
| <i>The Governor recommends a compensation increase of 2% to be distributed based on merit. No adjustment to the pay line is recommended.</i> | | | | | |
| Governor's Recommendation | 0.00 | 13,400 | 7,100 | 0 | 20,500 |
| Fund Shifts | | | | | |
| The ongoing maintenance costs of \$10,000 associated with investment software will be split 60/40 between the State Investment Division (60%) and the Local Government Investment Pool (40%). Currently the split is the opposite. The fund shift nets to zero. | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|------------------------------------|--------------|------------------|----------------|----------|------------------|
| FY 2005 Program Maintenance | | | | | |
| Agency Request | 18.00 | 1,232,800 | 583,400 | 0 | 1,816,200 |
| <i>Governor's Recommendation</i> | <i>18.00</i> | <i>1,214,300</i> | <i>583,500</i> | <i>0</i> | <i>1,797,800</i> |

1. LGIP Operating Expenses

This enhancement would provide the Local Government Investment Pool (LGIP) \$54,800 in one-time operating expenses. This reflects the amount the LGIP would have carried over into FY 2004 had it not inadvertently omitted its request for carryover authority in its FY 2004 budget request.

The State Treasurer also requests carryover authority for its LGIP fund for FY 2005. The voluntary investment pool needs a quicker response time than the traditional budgeting timeline allows in order to offer services and products that are being made available to local governments from the private sector or other sources. Carryover authority would allow the LGIP to react in a more timely and responsive manner to the needs and desires of the pool members. Since carryover authority is an exception to the state budget laws and is not provided for in statute, it requires specific legislative authorization and approval.

| | | | | | |
|----------------|------|---|--------|---|--------|
| Agency Request | 0.00 | 0 | 54,800 | 0 | 54,800 |
|----------------|------|---|--------|---|--------|

The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.

| | | | | | |
|----------------------------------|-------------|----------|----------|----------|----------|
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
|----------------------------------|-------------|----------|----------|----------|----------|

2. Bond Bank

The Treasurer's Office requests a one-time appropriation of \$5,000 to pay for the startup administrative and marketing costs of the newly established Bond Bank. Once the first issues have come to market, the Bond Bank will be able to charge fees to cover these costs.

| | | | | | |
|----------------|------|-------|---|---|-------|
| Agency Request | 0.00 | 5,000 | 0 | 0 | 5,000 |
|----------------|------|-------|---|---|-------|

The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.

| | | | | | |
|----------------------------------|-------------|----------|----------|----------|----------|
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
|----------------------------------|-------------|----------|----------|----------|----------|

3. Customize Investment Software

This enhancement would provide \$17,000 in one-time operating expenses for software customization. With the current or new software, the statements used by the State Investment Pool do not reflect any meaningful data for pool members. The vendor estimates the cost of customizing the statements would be \$7,000. Additional customization would be needed to make the Investment Division more efficient and able to provide more meaningful data to its customers. The vendor's estimate for further customization is \$5,000 for LGIP and \$5,000 for Idle Pool funds.

| | | | | | |
|----------------|------|---|--------|---|--------|
| Agency Request | 0.00 | 0 | 17,000 | 0 | 17,000 |
|----------------|------|---|--------|---|--------|

The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.

| | | | | | |
|----------------------------------|-------------|----------|----------|----------|----------|
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
|----------------------------------|-------------|----------|----------|----------|----------|

Lump Sum Budget

The State Treasurer requests a lump-sum budget for the Local Government Investment Pool so it would have the ability to provide merit increases to its employees without having to ask for an additional appropriation. A lump sum appropriation removes all restrictions that limit the transfer of moneys among Personnel Costs, Operating Expenses, Capital Outlay and Trustee/Benefit Payments. Since lump sum is an exception to the state budget laws, it requires specific legislative authorization and approval (Idaho Code §67-3508(1)).

| | | | | | |
|----------------|------|---|---|---|---|
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
|----------------|------|---|---|---|---|

The Governor did not choose to make a recommendation on a lump sum budget for this Executive Branch elected.

| | | | | | |
|----------------------------------|-------------|----------|----------|----------|----------|
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
|----------------------------------|-------------|----------|----------|----------|----------|

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|-----------------------------------|--------------|------------------|----------------|----------|------------------|
| FY 2005 Total | | | | | |
| Agency Request | 18.00 | 1,237,800 | 655,200 | 0 | 1,893,000 |
| <i>Governor's Recommendation</i> | <i>18.00</i> | <i>1,214,300</i> | <i>583,500</i> | <i>0</i> | <i>1,797,800</i> |
| Agency Request | | | | | |
| Change from Original App | 0.00 | 50,900 | 69,500 | 0 | 120,400 |
| % Change from Original App | 0.0% | 4.3% | 11.9% | | 6.8% |
| <i>Governor's Recommendation</i> | | | | | |
| <i>Change from Original App</i> | <i>0.00</i> | <i>27,400</i> | <i>(2,200)</i> | <i>0</i> | <i>25,200</i> |
| <i>% Change from Original App</i> | <i>0.0%</i> | <i>2.3%</i> | <i>(0.4%)</i> | | <i>1.4%</i> |

Organizational Chart

